

Hurricane Dorian True Up Report Through May 31, 2020

Docket No. 2019-26-E

Duke Energy Progress, LLC (“DEP”) initially filed an estimate of the South Carolina costs related to Hurricane Dorian as of March 31, 2020. The total incremental costs related to Hurricane Dorian in South Carolina were estimated to be \$19 million at that time.

For every major storm, representatives from Finance work with Operations personnel to develop an estimate of storm costs. This estimate is based off estimated resource numbers as well as historical working knowledge of storm costs, such as the cost of materials, average cost of staging sites, hotel accommodations, and average hourly rates for line and vegetation resources.

Estimates are developed for both incremental and non-incremental costs as well as capital costs. Estimates are further broken down by state based on expected number of resources to be utilized in each state for restoration.

After restoration has been completed, actual costs are recorded. Each month during the month-end close process, Duke Energy Finance compares the actual costs that have been incurred to the estimate and makes adjustments to the estimate. Adjustments typically occur around resource counts, resource rates, actual costs of staging sites, as well as the final location(s) where the resources were staged and worked.

In Q2 of 2020, Duke Energy has made a concerted effort to receive and process all outstanding contractor invoices related to Hurricane Dorian in order to expedite finalization of the amounts detailed below. As a result, the incremental costs associated with Hurricane Dorian in DEP South Carolina are less than the original estimate. The trued-up amounts of expenses associated with Dorian is approximately \$17 million.¹

Estimate as of 3/31/2020	Actual as of 5/31/2020	Variance
\$19M	\$17M	\$2M

¹ There are still transmission costs being finalized, but the variance would be less than \$300K and would be reflected in future cost recovery proceedings.